

# SECURE YOUR BUSINESS



	2005	2006	2007	2008
Balance sheet total (MEUR)	764	843	824	751
Net debt (MEUR)	124	210	192	171
Equity ratio (%)	57	51	50	52
EBITDA (MEUR)	74	114	91	85
Gross investments (MEUR)	52	143	56	20

Find more financial information on:  
[www.rettig.fi/annual-report](http://www.rettig.fi/annual-report)

# Release the pressure

This is a time to stay cool. The worldwide economic situation has certainly affected the heat-emitting solutions market also. Many players have been hurt by the dramatic downturn in housing start-ups or the many renovation-projects that have been postponed. This has had an impact on every business partner in the value chain, including wholesalers and installers.

Clearly, many companies are feeling the pressure. Some have tried earlier to gain market share by increasing their discounts, and now are confronted with tighter margins. Others became highly leveraged to expand operations, and now must service heavy debt with shrinking revenues.

**Our situation is markedly different.** As part of a financially stable, family-owned organisation, we are prepared to not just weather the storm but to further consolidate our position as a leader. Our healthy financial position enables us to make strategic acquisitions and investments. Including new production facilities, like our plant in Turkey, that we bought end 2008.

Our independent financial status is a strength that enables us to realize our ambitions.

This financial strength is complemented by our commitment to the long-term success of our business partners. A commitment that knows many different forms. As a valuable partner, we will always help you to secure your business, especially in times when the pressure is high.

“Our strong balance sheet and predictability have proven attractive to our customers...”

Markus Lengauer, CEO, Rettig ICC



# We can support your sales everywhere

Wherever the market, we're focused on providing quality, heat-emitting solutions that meet the specific needs of that market.

Our presence, and our success, is global. In fact, we're represented in more than 50 countries worldwide, and have manufacturing facilities in 17 countries. We are the largest independent heat emitter brand in the world. More than 9 million radiators are produced every year.

Radson is part of the Rettig ICC (Indoor Climate Comfort) division that is recognized as the number 1 supplier of steel panel radiators in Europe. We also have a strong position in bathroom and decorative radiators, as well as underfloor heating.

The long-term strategy of the company is to maintain this number 1 position, and to improve upon it incrementally. By doing so, we help ensure a solid foundation for growth for all of our partners.

To reach this goal, the importance of a dedicated sales force in each country cannot be overestimated. Local expertise provides the right input to deliver products that meet the needs of installers and end-users. We also continuously update product materials on a country-by-country basis, both on web sites and in literature.

These efforts all help to build demand for our products.

“We all benefit of being part of a strong European brand and by adding local experience and knowledge we add value to our sales.”

Darko Rajkovic, Sales & Marketing Director Balkan Countries





**RADSON**   
The Warm Society





# We're organised to help you run a more efficient operation

Over the last several years we have committed significant resources to the mergers of facilities throughout Europe, to improve our logistical efficiencies.

These strategically located sites ensure a steady, reliable supply of products to meet demand in local territories. We have also made significant investments in improving these facilities with IT and production technology. This has enhanced, simplified and integrated our entire European business process.

These improvements benefit our business partners in many ways. It ensures more reliable delivery of products. One example: Our new panel platform concept enables a seamless continuation of production from one plant to another. So if there is, by chance, a breakdown in pressing at one plant in Europe, identical panels can be pressed at any of our other locations. The products then can be immediately transferred to the affected location for assembly, painting and packaging. The level of service to the customer is unaffected.

Our production efficiency also helps to streamline your logistics and will decrease the costs of warehousing.

Our delivery performance is up to 98% or even more. On time - in fill (OTIF), with lead times of less than 5 days. You can expect this level of efficiency in every country in which we operate.

“We value on-time delivery as our customers depend on us to help them to manage their working capital efficiently.”

Jos Bongers, Chief Operations Officer, Rettig ICC



# We help you grow your business by focusing on improving ours

We always focus on improving results. Certainly, we do this by expanding capacity (when appropriate) and improving our efficiencies.

But we also never lose sight of the importance of raising awareness of our brands and our business. For that we yearly invest 10% of our turnover in marketing, sales and efficient market communications. Twice every year we launch major, pan-European campaigns, supported by ongoing market activities.

The results have been consistently positive. We've increased market share significantly in many markets, as well as our brand awareness. In fact, we enjoy a number one position in top of mind awareness in many countries. Our brand position stands for innovation, inspiration and quality. Radson products and solutions not only provide warmth, they also add a dimension to individual lifestyles. They meet the ever-changing needs of installers and end-users in every market.

This brand position is continually reinforced by our marketing communications, both online and offline. On a regular basis, we monitor the needs of the market and respond with new marketing material in all media to further strengthen our positions.

“Our open mindset and knowledge of the local market are the main factors of our success. We all feel ourselves truly responsible for our customers business successes.”

Elo Dhaene, Brand Commercial Director, Purmo Radson









# Built-in quality that helps you keep your promises

Ultimately, our reputation and continued success rests with the integrity of our products. Quality, therefore, is the cornerstone of an organisation that has been active in the radiator industry for more than 30 years.

Ensuring this quality, however, calls for significant investments.

A good example of our commitment is our recent investments in new facilities in Belgium, Poland and the UK. In total Rettig Group invested 250 million euro over the past four years in business they've committed to. And they'll continue doing so. Investments that increase quality, while enhancing flexibility, improved product availability and on-time delivery at reduced cost levels.

Expanding facilities throughout Europe also reflects our dedication to local markets. As a leading European company, Radson demonstrates its commitment to its employees, to social security and to maintaining a high quality of life.

This focus on quality certainly applies to all of our radiators. Each one is designed and tested to make sure it can withstand pressures well above the relevant European and international pressure requirements. All our radiators are guaranteed to take the strain. Each and every one is backed with a 10-year guarantee, an industry standard.

Quality provides a secure foundation that can help release pressure in turbulent times. Installers and end-users, when making a choice, will choose products made for the long term. You can promise to your customers the best. And we will deliver.

“All our radiators conform to the most stringent quality standards and carry a multitude of quality and approval seals.”

Claudius Gramse, Brand Development Manager, Purmo Radson



# We're prepared to help secure your business

When times get turbulent, it's good to know that your business partner is stable and sufficiently funded to withstand the strain. Radson is part of the Rettig Group, a family-owned business that has over 200 years of history and experience.

Rettig's balance sheet is strong and the company continues to enjoy a steady cash flow. Furthermore, it has a long-standing relationship with banking partners and has sufficient credit lines available, if necessary. This enables us to continue financing operations and gives us the opportunity to expand our activities, without being overly influenced by an increasingly risk-adverse credit market.

Another contributing factor to our solid position is the company's focus on long-term strategy instead of short-term decisions. Being well funded and financially stable, of course, gives us the freedom to think long term.

Clearly, we are able to support our business partners, whatever the market condition may be.

"I am convinced that the turbulence will also bring business opportunities to companies, such as Rettig, that have a healthy financial position."

Bjarne Mitts, CEO, Rettig Group Ltd





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# We'll help you to get there

Actually, now is the ideal time to make great things happen.

To change and to build a brighter future together. Yes, these are turbulent times. But these are also times to strengthen our partnership and to create new opportunities for all partners working with Radson. At Radson we fully appreciate the magnitude of the current crisis and its effect on business worldwide.

As a company we are prepared not just to weather the storm, but to come out stronger and better positioned than ever. And we're ready to help our business partners enjoy the same level of success.

First and foremost, you can expect the freedom that comes from financial stability. We have the resources, including cash reserves and sufficient lines of credit, to finance current operations and to expand cautiously into new, promising markets. We also have a range of quality products that meet the specific needs of each market we serve. Our network of sales and production facilities meet customer needs in each specific market. And we are committed to the marketing activities to raise awareness and demand in those markets.

In short, Radson has the right combination of resources, the organisation, the products and the strategic vision to help you reach your business goals. Let's continue building together on a profitable future for all of us.

“The size of our company, the strength of our brands and their market position linked to the financial stability of the Rettig Group will help us overcome upcoming challenges.”

Tomasz Tarabura, Brand Director, Purmo Radson

“We see Rettig ICC as an investment for the future. Our family therefore is committed to a strategy of long term development. In that perspective we are prepared to take whatever steps necessary to ensure the health of our businesses. For generations to come.”

Cyril von Rettig, Chairman, Rettig Group Ltd